

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2996 - SB 3088

February 15, 2010

SUMMARY OF BILL: Moves the start date of public K-12 schools to the fourth Monday in August, unless the local board of education votes to implement a year-round calendar. Requires the State Board of Education to set minimum proficiency standards for student performance in grades three through eight on the Tennessee Comprehensive Assessment Program (TCAP) tests. Requires students that perform below the set minimum standard to go to a summer school program, provided that the LEA offers one. Requires such students who complete the summer program to retake TCAP tests upon program completion.

Summer school TCAP testing dates shall be chosen so that the state is in compliance with the federal No Child Left Behind Act. Requires summer TCAP scores to replace regular school TCAP scores for the year immediately preceding the summer program. Replacement Scores will be used to recalculate adequate yearly progress for that student's school if authorized by the U.S. Department of Education.

Requires the state Department of Education (DOE) to issue AYP reports on or before the fourth Monday of July each year.

Requires LEAs to issue school choice options no later than five business days after the fourth Monday in July. Requires parents to have at least 10 business days to exercise school choice options. Requires LEAs to give transportation and school assignment information no later than the third Monday in August. Prohibits schools from scheduling open houses less than three days after students have received school assignment notices.

Prohibits high school athletes from being penalized for not attending summer practices or training if the athlete was eligible for school choice due to a school's failure to meet AYP.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$8,500,000/One-Time
\$37,260,000/Recurring**

**Increase Local Expenditures \$4,080,000/One-Time
\$32,580,000/Recurring**

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Other Fiscal Impact – According to the Department of Education (DOE), federal Title I money may be jeopardized as a result of administering additional summer testing since the state will be unable to meet its reporting deadline. Such a loss is unable to be reasonably quantified; LEAs receive approximately \$250,000,000 in Title I money annually.

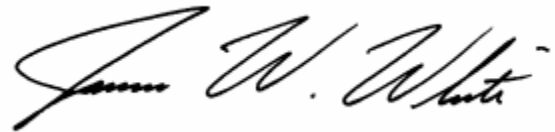
Assumptions:

- By federal regulation, DOE must report AYP to LEAs at least 14 days before the beginning of the school year. As a result, the state's annual reporting date for AYP scores have been moved from July 15 to August 1.
- The return and processing of test materials is approximately two weeks and data gathering, analysis, and reporting is approximately six weeks.
- According to DOE, an additional 63,800 children in grades 3-8 will attend summer school. This is an average of 469 per LEA.
- One school building per LEA will have infrastructure upgrades including fiber optic cable to accommodate faster processing of tests for an increase in one-time expenditures of approximately \$30,000 per school. The state will not provide these upgrades to the LEA. One-time local expenditures are estimated to be approximately \$4,080,000 ($\$30,000 \times 136$).
- LEAs will annually maintain and upgrade their system and provide additional professional development for technology staff. This is estimated by DOE to be approximately \$5,000 to \$10,000 per school. LEA expenditures for annual maintenance and upgrades is estimated to be approximately \$680,000 ($136 \times \$5,000$).
- LEAs will also increase their summer school teaching and administrative capacity. This cost is estimated to be \$500 per student. The total recurring increase in local expenditures for this purpose is estimated to be \$31,900,000 or approximately \$234,559 ($\$31,900,000/136$) per LEA.
- Total increase in recurring local expenditures is estimated to be \$32,580,000 ($\$680,000 + \$31,900,000$).
- TCAP tests must be fresh and non-redundant for each test administration. This means the state will make up new TCAP tests for summer school. The estimated recurring increase in state expenditures for the development of a new test form and related processing and reporting costs is estimated to be \$3,760,000.
- The state will upgrade 12 processing centers to accommodate a faster turnaround time. The goal will be to shorten the processing turnaround time by about two weeks. This upgrade will include a one-time purchase of new scanners and other associated hardware at a cost of approximately \$8,500,000.
- Increased staffing needs, recurring processing costs at the regional centers, software, annual maintenance and support, and training is estimated to increase state expenditures approximately \$33,500,000.
- Total increase in recurring state expenditures is estimated to be \$37,260,000 ($\$33,500,000 + \$3,760,000$).

- Though federal Title I funding is made available on July 1, it is not finalized with the federal government until October when the new federal fiscal year begins. If an LEA is determined to be failing AYP after the Title I money is released, the state will have to make adjustments and effectively take money away.
- LEAs receive approximately \$250,000,000 annually in Title I money.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

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